

Message Text

UNCLASSIFIED

PAGE 01 LAGOS 02947 01 OF 02 011645Z

46

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 IO-10 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 NSC-05

SS-15 STR-04 CEA-01 L-02 H-02 DODE-00 PA-02 USIA-15

PRS-01 CU-04 FEAE-00 INT-05 OES-05 PM-03 /143 W

----- 058490

P 011138Z APR 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 8598

INFO US OECD PARIS 4744

USUN NEW YORK 1971

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA POUCH

AMEMBASSY BONN POUCH

AMEMBASSY BRUSSELS POUCH

AMEMBASSY COTONOU POUCH

AMEMBASSY KINSHASA POUCH

AMEMBASSY LOME POUCH

AMEMBASSY LONDON POUCH

AMEMBASSY PARIS POUCH

AMEMBASSY YAOUNDE POUCH

AMCONSUL IBADAN POUCH

AMCONSUL KADUNA POUCH

UNCLAS SECTION 1 OF 2 LAGOS 02947

E. O. 11652: N/A

TAGS: EGEN, ECON, NI

SUBJ: NIGERIA'S THIRD DEVELOPMENT PLAN, 1975 - 1980

SUMMARY: HEAD OF STATE FORMALLY LAUNCHED ON MARCH 29 NIGERIA'S

THIRD DEVELOPMENT PLAN, PROJECTING FOR THE 5 YEAR PERIOD

APRIL 1975 TO APRIL 1980 AGGREGATE PUBLIC SECTOR INVESTMENT OF

20 BILLION NAIRA (OR APPROXIMATELY \$32 BILLION) AND PRIVATE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 02947 01 OF 02 011645Z

SECTOR INVESTMENT OF 10 BILLION NAIRA (APPROXIMATELY \$16 BILLION).

IN HIS ADDRESS GENERAL GOWON DID NOT MENTION FINANCING BUT PLAN DOCUMENT MAKES IT CLEAR PROJECTED PUBLIC SECTOR INVESTMENT WILL BE FINANCED OUT OF NIGERIA'S OWN REVENUES, ABOUT 85 PERCENT COMING FROM OIL. GENERAL STRESSED CONTRIBUTION OF PRIVATE SECTOR TO PLAN, PARTICULARLY IN INDUSTRY, SAYING ALSO THAT FOREIGN BUSINESSMEN "WELCOME AS EVER," AND THAT IN ORDER MINIMIZE MANPOWER CONSTRAINTS INHIBITING PLAN'S REALIZATION, REGULATIONS GOVERNING EXPATRIATE QUOTAS WOULD BE RELAXED. GENERAL INDICATED THAT TO SAME END, FMG WOULD NEGOTIATE WITH "FRIENDLY FOREIGN COUNTRIES" FOR TRAINING OF NIGERIAN STUDENTS AT NIGERIA'S EXPENSE AND PLAN DOCUMENT ADDED THAT FMG ACCEPTS NEED TO PAY SUPPLIER COUNTRIES WHOLLY OR IN PART FOR TECHNICAL ASSISTANCE AND TRAINING REQUIRED FOR PLAN. FOR EFFECTIVE IMPLEMENTATION OF PLAN, GENERAL ANNOUNCED INTENTION CREATE 6 NEW MINISTRIES, WITH COMMISSIONERS TO BE NAMED LATER. END SUMMARY.

1. SIX NEW MINISTRIES ARE AS FOLLOWS: COOPERATIVES AND SUPPLY; CIVIL AVIATION; SOCIAL DEVELOPMENT, YOUTH AND SPORTS; PETROLEUM AND ENERGY; URBAN DEVELOPMENT, HOUSING AND ENVIRONMENT; AND WATER AND RESOURCES.

2. IN TERMS OF PROJECTED PUBLIC SECTOR INVESTMENT OVER 5 YEAR LIFE OF PLAN, PRIORITY TARGETS ARE TRANSPORT (\$12 BILLION); INDUSTRY, INCLUDING LNG AND PETROCHEMICALS (\$6 BILLION); MINING AND QUARRYING, I.E., MOSTLY PETROLEUM (\$4 BILLION); EDUCATION (\$4 BILLION); AGRICULTURE (\$3.5 BILLION); HOUSING (\$3 BILLION); COMMUNICATIONS (\$2.5 BILLION); POWER(\$1.5 BILLION); HEALTH CARE (\$1 BILLION).

3. IN HIS COMMENTS ON IRON AND STEEL PROJECT FOR WHICH RUSSIANS AND FRENCH TECHNICAL PARTNERS WITH FMG, GENERAL GOWON CHOSE TO NOTE THAT "POWERFUL FOREIGN INTERESTS AFRAID OF LOSING THEIR NIGERIAN MARKET" HAD SOUGHT TO DISSUADE GOVERNMENT FROM CARRYING OUT PROJECT. HE ASSERTED THAT PROJECT, WHICH HAD FIGURED IN FIRST AND SECOND PLANS, WOULD BE IMPLEMENTED IN THIRD PLAN IN COOPERATION WITH TECHNICAL PARTNERS, BUT ADDED THIRD PLAN ALSO PROVIDED FOR TWO DIRECT REDUCTION PLANTS. PLAN DOCUMENT CONFIRMS FMG INTENTION CONSTRUCT ALL 3 PLANTS BUT OFFERS NO EXPLANATION OF REFERENCE TO "FOREIGN INTERESTS.") UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAGOS 02947 01 OF 02 011645Z

RM FOR DEFENCE AND SECURITY PLAN PROJECTS 5 YEAR INVESTMENT EXPENDITURES AT OVER \$5 BILLION, OF WHICH \$2 BILLION EARMARKED FOR ACQUISITION VEHICLES, AIRCRAFT, VESSELS; NEARLY \$1.5 BILLION FOR WEAPONRY AND OTHER EQUIPMENT; AND ABOUT \$1 BILLION FOR BARRACKS.

5. NEARLY \$2 BILLION IS PROJECTED FOR INVESTMENT IN GENERAL

ADMINISTRATION OVER PLAN PERIOD, MOSTLY FOR CONSTRUCTION OF
FEDERAL AND STATE OFFICE BUILDINGS AND HOUSING AND STAFF QUARTERS.

6. OUT OF TOTAL OF 20 BILLION NAIRA (\$32 BILLION) PROJECTED
FOR PUBLIC SECTOR INVESTMENT, FEDERAL GOVERNMENT WILL ACCOUNT
FOR N15 BILLION (\$24 BILLION) AND STATE GOVERNMENTS N5 BILLION
(\$8 BILLION). PLAN DOCUMENT CALCULATES TOTAL FEDERAL AND
STATE GOVERNMENT REVENUES OVER PLAN PERIOD AT NEARLY \$72
BILLION (OF WHICH \$54 BILLION FEDERAL) AND THEIR TOTAL
RECURRENT EXPENDITURES AT APPROXIMATELY \$29 BILLION (OF WHICH
\$20 BILLION FEDERAL) LEAVING \$43 BILLION TO COVER PROJECTED
PUBLIC SECTOR INVESTMENTS OF \$32 BILLION.

7. PLAN ENVISAGES THAT PROJECTED PRIVATE SECTOR INVESTMENT
OF 10 BILLION NAIRA (\$16 BILLION) WILL BE CONCENTRATED ON
BUILDING AND CONSTRUCTION, INDUSTRY, DISTRIBUTION, AND AGRICULTURE.

8. IN HIS LAUNCHING ADDRESS GENERAL GOWON HOPED THAT THIRD PLAN
WOULD BE TURNING POINT IN NIGERIA'S INDUSTRIAL DEVELOPMENT,
AND URGED PRIVATE SECTOR TO SHIFT ITS EMPHASIS FROM
COMMERCE AND DISTRIBUTION TO INDUSTRY AND AGRICULTURE. PLAN
DOCUMENT REFERS TO "NEW INDUSTRIAL CHARTER" SAYING FMG WISHED
TO OPEN DOORS FURTHER TO BOTH INDIGENOUS AND FOREIGN PRIVATE
INVESTORS IN INDUSTRY AND THAT ALTHOUGH FMG MUST HAVE MAJORITY
INTEREST IN BASIC PETROLEUM INDUSTRY (BUT NOT NECESSARILY
DOWNSTREAM PETROCHEMICALS), PRIVATE SECTOR, STATE GOVERNMENTS OR
AGENCIES, FMG OR ITS AGENCIES FREE TO INVEST IN OTHER
INDUSTRIAL ACTIVITIES EITHER IN COLLABORATION OR EXCLUSIVELY,
SUBJECT TO PROVISIONS OF ENTERPRISES PROMOTION DECREE OF 1972
(SO-CALLED INDIGENIZATION DECREE). PLAN DOCUMENT ADDS THAT EFFORTS
WILL BE MADE TO SIMPLIFY COMPLEX ADMINISTRATIVE PROCEDURES
THAT NOW INHIBIT INVESTORS, AND REPEATED GENERAL
GOWON'S ASSERTION THAT REGULATIONS GOVERNING ISSUANCE OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 LAGOS 02947 01 OF 02 011645Z

EXPATRIATE QUOTAS AND WORK PERMITS WOULD BE RELAXED "AS
APPROPRIATE" IN LIGHT OF MANPOWER NEEDS.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LAGOS 02947 02 OF 02 011651Z

46

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 IO-10 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 NSC-05

SS-15 STR-04 CEA-01 L-02 H-02 DODE-00 PA-02 USIA-15

PRS-01 CU-04 FEAE-00 INT-05 OES-05 PM-03 /143 W

----- 058608

P 011138Z APR 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 8599

INFO US OECD PARIS 4745

USUN NEW YORK 1972

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA POUCH

AMEMBASSY BONN POUCH

AMEMBASSY BRUSSELS POUCH

AMEMBASSY COTONOU POUCH

AMEMBASSY KINSHASA POUCH

AMEMBASSY LOME POUCH

AMEMBASSY LONDON POUCH

AMEMBASSY PARIS POUCH

AMEMBASSY YAOUNDE POUCH

AMCONSUL IBADAN POUCH

AMCONSUL KADUNA POUCH

UNCLAS FINAL SECTION OF 2 LAGOS 02947

9. IN HIS ADDRESS GENERAL GOWON SAID THAT THIRD PLAN PERIOD SHOULD BE REGARDED AS PERIOD OF CONSOLIDATION SO THAT CHANGES IN EQUITY STRUCTURE RESULTING FROM ENTERPRISES PROMOTION DECREE (I.E., NIGERIAN ACQUISITION OF EQUITY PARTICIPATION) CAN BE REFLECTED IN GREATER NIGERIAN PARTICIPATION IN MANAGEMENT AND POLICY DIRECTION. PLAN DOCUMENT ASSERTS IT IS INTENTION OF GOVERNMENT TO CONSOLIDATE BUT NOT RPT NOT TO ADVANCE COMPULSORY OWNERSHIP INDIGENIZATION IN THIS PLAN PERIOD.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 02947 02 OF 02 011651Z

QPM PLAN DOCUMENT REPEATS GOWON STATEMENT TO EFFECT FMG WILL NEGOTIATE WITH "FRIENDLY FOREIGN COUNTRIES" FOR TRAINING OF NIGERIAN STUDENTS ABROAD AT NIGERIAN EXPENSE. WITH RESPECT TO TECHNICAL ASSISTANCE COMING FROM ABROAD, PLAN NOTES THAT ALTHOUGH NIGERIAN WILL CONTINUE TO ACCEPT AND SEEK EXPERTS FROM FRIENDLY BILATERAL SOURCES AND INTERNATIONAL AGENCIES,

FMG ALSO ACCEPTS NEED TO MODIFY CONCEPT OF TECHNICAL ASSISTANCE AS "FREE" EXTERNAL AID. FMG REVIEWING ITS TECHNICAL ASSISTANCE AGREEMENTS TO ENSURE THAT FLOW OF EXPERTS NOT HAMPERED BY SUPPLIERS' BUDGETARY LIMITATIONS, AND WHERE NECESSARY FMG WILL BEAR COSTS OF FOREIGN EXPERTISE OR TRAINING PARTIALLY OR WHOLLY.

11. GENERAL ALSO MADE POINT THAT IN ORDER FACILITATE LETTING OF PUBLIC CONTRACTS DECENTRALIZED PROCEDURES WILL BE INTRODUCED. PLAN DOCUMENT PUTS IT THAT CONTRACTS BELOW N500,000 (APPROXIMATELY \$800,000) CAN NOW BE APPROVED BY MINISTRIES AND STATUTORY CORPORATIONS OR THEIR SUBDIVISIONS. CONTRACTS ABOVE THAT FIGURE WILL STILL HAVE TO GO TO FEDERAL EXECUTIVE COUNCIL.

12. SUPPLY OF BUILDING AND CONSTRUCTION MATERIALS ALSO SEEN AS CONSTRAINT ON PLAN AN PLAN DOCUMENT ENVISAGES INTER-MINISTERIAL COMMITTEE THAT WILL NEGOTIATE WITH "FRIENDLY FOREIGN GOVERNMENTS" FOR REGULAR SUPPLIES, PARTICULARLY OF CEMENT.

13. AIR POUCHING TEXT OF GENERAL GOWON'S ADDRESS AND AS SOON AVAILABLE COPIES OF THIRD PLAN.

14. COMMENT: WE ARE IMPRESSED AT RECOGNITION IN GENERAL'S SPEECH AND IN PLAN DOCUMENT THAT REALIZATION OF THIRD PLAN REQUIRED ACTIVE PARTICIPATION OF FOREIGN TRADERS, INVESTORS, EXPERTS AND TECHNICIANS AND STREAMLINING OF FMG'S WAYS OF DOING BUSINESS WITH THEM. UNTIL NOW, FMG, ALTHOUGH COMMITTED TO DEVELOPMENT, OFTEN SEEMED SATISFIED THAT IT COULD ACHIEVE ITS ENDS IN ITS OWN WAY AND TIME, AND ALTHOUGH IT OSTENSIBLY WELCOMED FOREIGN EXPERTS AND BUSINESSMEN, ITS ATTITUDE TOWARD THEM OFTEN SEEMED AMBIVALENT. THIRD PLAN MARKS APPARENT SHIFT IN FMG ATTITUDE. EMPHASIS IN THIRD UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAGOS 02947 02 OF 02 011651Z

PLAN ON AGRICULTURE, EDUCATION, HOUSING, HEALTH, WATER, SEWAGE, ALSO SEEMS TO MARK SHIFT AWAY FROM SATISFACTION WITH MERE GROWTH IN FAVOR OF GREATER CONCERN WITH DEVELOPMENT, I.E., ENSURING THAT BENEFITS OF GROWTH REACH AS MANY NIGERIANS AS POSSIBLE.
CROSBY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, POLICIES, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LAGOS02947
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750112-0739
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750494/aaaadhqg.tel
Line Count: 269
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by maginmm>; APPROVED <07 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NIGERIA'S THIRD DEVELOPMENT PLAN, 1975 - 1980 SUMMARY: HEAD OF STATE FORMALLY LAUNCHED ON MARCH 29 NIGERIA'S
TAGS: EGEN, ECON, NI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006